

WHAT IS CLAIMED IS:

1                   1.       A method for providing financial protection to providers of seller  
2   financing for buying and selling businesses, comprising the steps of:  
3                   utilizing existing credit scoring methodologies to evaluate risk in seller  
4   financing;  
5                   charging a fee for providing the seller financing protection coverage;  
6                   executing legal and financial transactions pertaining to providing the seller  
7   financing; and  
8                   managing risk of the seller financing.

1                   2.       The method according to claim 1, wherein intangible assets  
2   comprise 25%, 30%, 35%, 40%, 45%, 50%, 55%, 60%, 65%, 70%, 75%, 80%, 85%,  
3   90%, 95%, or 100% of a seller-financed loan.

1                   3.       The method according to claim 1, further comprising steps of:  
2                   determining the portion of a seller-financed loan that corresponds to  
3   intangible assets; and  
4                   insuring that portion.

1                   4.       The method according to claim 1, wherein the seller financing is  
2   for that portion of a business that is substantially comprised of intangible assets.

1                   5.       The method according to claim 1, wherein existing credit scoring  
2   methodologies used by the small business administration (SBA), commercial lenders and  
3   discounted note brokers are utilized to evaluate the seller financing.

1                   6.       The method according to claim 5, wherein said fee for seller  
2   financing is based on the existing credit scoring methodologies.

1                   7.       The method according to claim 5, wherein existing credit scoring  
2   methodologies utilize loan to value ratio analysis, proof of profitability, buyer experience,  
3   financial analysis of tax returns and profit and loss statements, evaluation of credit rating  
4   (FICA score of 625+), loan position, personal buyer guarantee and turnaround potential.

1                   8.       The method according to claim 1, wherein said legal and financial  
2   transactions involve a UCC-1 financing statement and a promissory note.

1                    9.        The method according to claim 8, wherein said UCC-1 financing  
2 statement and said promissory note are assigned from a business seller in a seller  
3 financing transaction to an entity providing financial protection of seller financing.

1                    10.      The method according to claim 1, wherein additional steps include  
2 monitoring, modifying and diversifying a cumulative portfolio of the seller financing  
3 transactions.

1                    11.      The method according to claim 1, wherein risk sharing entities  
2 such as insurance companies, reinsurance companies and finance companies are used to  
3 manage the risk of the seller financing portfolio notes.

1                    12.      The method according to claim 1, wherein managing the risk of the  
2 seller financing includes recovering defaulted seller financing notes.

1                    13.      The method according to claim 1, wherein demand for seller  
2 financing for buying and selling businesses comes from business brokerages, closing  
3 agents and small business attorneys.

1                    14.      The method according to claim 1, wherein default options include  
2 straight liquidation or sale of a business, pursuing secondary buyer guarantees, operating  
3 and turning around a business with new management and executing a work-out agreement  
4 with the existing management.

1                    15.      A method for reducing risk to a seller when financing a sale to a  
2 buyer, the method comprising steps of:  
3                    determining factors relating to a risk of default by the buyer; and  
4                    insuring the risk of default.

1                    16.      The method for reducing risk to the seller when financing the sale  
2 to the buyer as recited in claim 15, wherein an insurer pays the seller when the buyer  
3 defaults.

1                    17.      The method for reducing risk to the seller when financing the sale  
2 to the buyer as recited in claim 15, further comprising a step of determining if the buyer  
3 has defaulted on payments for the sale.

1                   18.     The method for reducing risk to the seller when financing the sale  
2 to the buyer as recited in claim 15, wherein the determining step comprises a step of  
3 determining how much of the sale corresponds to intangible assets.

1                   19.     A method for reducing risk to a seller when financing a sale to a  
2 buyer, the method comprising steps of:  
3                   transferring a business to a buyer;  
4                   financing at least a portion of the transfer by the seller; and  
5                   obtaining insurance from an entity, other than the buyer or seller, that  
6 payments made from the buyer to the seller for the portion are made.

1                   20.     The method for reducing risk to the seller when financing the sale  
2 to the buyer as recited in claim 19, wherein the entity determines the risk of default by the  
3 buyer.

1                   21.     The method for reducing risk to the seller when financing the sale  
2 to the buyer as recited in claim 19, wherein the entity determines which portion of the  
3 business corresponds to tangible assets.